



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**REGION IX**  
**75 Hawthorne Street**  
**San Francisco, CA 94105-3901**

January 21, 2010

Wilfred K. Nagamine  
Manager, Clean Air Branch  
Hawaii Department of Health  
P.O. Box 3378  
Honolulu, HI 96801

Re: EPA Comments on Proposed Title V Permit Renewal for Tesoro Hawaii Refinery

Dear Mr. Nagamine:

Thank you for the opportunity to review the Clean Air Branch's ("CAB") proposed renewal of the Covered Source Permit for the Tesoro Hawaii refinery in Kapolei. We have reviewed the proposed permit and have enclosed our comments. Please contact Roger Kohn at (415) 972-3973 or [kohn.roger@epa.gov](mailto:kohn.roger@epa.gov) if you have any questions concerning our comments.

Sincerely,

  
for Gerardo C. Rios  
Chief, Permits Office  
Air Division

**EPA Region 9 Comments  
Tesoro Hawaii - Kapolei  
Covered Source Permit No. 0212-01-C**

1. The proposed permit is missing applicable requirements from the National Emission Standards for Hazardous Air Pollutants (“NESHAP”) for petroleum refineries, 40 C.F.R. 63, Subpart CC. The permit identifies Subpart CC as an applicable requirement for several emission units, but does not do so for three additional emission units, storage tanks TK 912 and TK 913 and a vertical fixed roof storage tote, that we believe are subject to the regulation. CAB’s statement of basis notes that TK 912 is a Group 2 tank, and that the applicant wants to retain the flexibility to store a blend of sulfix, which contains methanol, a hazardous air pollutant. Therefore Subpart CC applies to TK 912. TK 913 and the storage tote are also subject to Subpart CC, as CAB explained in the statement of basis for the minor modification at the facility proposed on July 1, 2008. CAB must ensure that the final permit incorporates all applicable requirements from Subpart CC for these three emission units in Attachments II.F (Special Conditions for Visbreaker Unit) and II.B (Special Conditions for Naphtha Hydrotreater And Catalytic Reformer Unit).
2. CAB’s statement of basis and proposed permit mention an Asphalt Manufacturing Unit. However the statement of basis does not address the applicability of New Source Performance Standard (“NSPS”) Subpart UU (Asphalt Processing and Asphalt Roofing Manufacture) or NESHAP Subpart LLLLL (Asphalt Processing and Asphalt Roofing Manufacturing) to any emission units at the refinery. CAB must document the applicability of these regulations in its statement of basis. If either or both apply to any emission units at the facility, CAB must add the applicable emission limits, monitoring, record-keeping, and testing requirements to the final permit.

Similarly, the refinery operates two sulfur recovery units and a catalytic reformer unit. But there is no discussion in the statement of basis of the applicability of NESHAP Subpart UUU (Catalytic Cracking Units, Catalytic Reforming Units, and Sulfur Recovery Units). If NESHAP Subpart UUU applies to any emission units at the refinery, CAB must add the applicable NESHAP requirements to the final permit.

3. The discussion of the applicability of the Compliance Assurance Monitoring (CAM) rule (40 C.F.R. Part 64) in the statement of basis is inadequate and does not provide EPA or the public with sufficient information to evaluate CAB’s determination that CAM does not apply to any emission units at the facility. Although the statement of basis correctly identifies CAM applicability criteria, there is no analysis of why CAM does not apply to specific emission units. CAB merely states without explanation that “There are no CAM plans required to be submitted with this renewal application, nor are any additional CAM requirements needed to be incorporated into the refinery’s covered source

permit.” CAB must revise the statement of basis to provide a complete explanation of CAM applicability. The statement of basis should identify all emission units that use control devices to comply with emission limits and have a pre-control potential to emit of the controlled pollutant that exceeds the major source threshold. CAB should then document any CAM exemptions in §64.2(b), e.g., a requirement in the permit to use a continuous compliance determination method, that apply to any emission unit that otherwise meets the CAM applicability criteria. Without a proper analysis of CAM applicability, the administrative record is not clear on the applicability of this regulation to any emission unit at the facility.